

Domestic Market Summary:

- Prices of guar seed declined last week due to weak support from spot market. Sluggish buying of guar seed and weak demand pressurize the prices.
- Retail investors are not finding guar seed market lucrative and avoid online trading platform these days which curb punters to do speculation in prices as reported.
- Millers and stockists will not be able to obtain guar seed stock in the coming days due to expected lower arrivals of guar seed in major markets due to lower rates and arrivals of mustard seed. Millers and punters should then artificially depress the guar seed prices creating panic in the market to obtain guar seed from short term stockists and farmers.
- Around 20000-25000 bags arriving in all India guar seed markets as reported.

Next Week Price Projections:

For the next week, prices are likely to move down to Rs 100 per quintal. In the Jodhpur market, delivery prices are trading at Rs 3270 and are likely to trade up to Rs 3170 per quintal.

In Ganganagar region, prices are trading at Rs 2967 per quintal which is likely to move down to Rs 2900 quintal as expected.

Current Market Dynamics

Prices of guar seed and gum surged last week due to moderate demand from food industry. Also, retail investors are not interested in long positions which likely to support the prices of guar seed in the short term. Meanwhile, prices are trading in range between Rs 2900-3200 per quintal and likely to trade in the prevailing range till March end as expected.

Overall fundamentals are still not very good for guar seed and gum due to lack of real demand from overseas fracking industry. However, any short term recovery in prices can't be ruled out in the coming weeks considering lower arrivals.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported higher arrivals (~2500 bags) compared to previous week ~8700 bags.

Similarly, In Ganganagar market, arrivals have decreased slightly last week to 5000 bags compared to prior week arrivals data i.e. 5500 bags.

Export and Import Scenario

India has exported 19660 tons of guar gum powder in the month of January 2016 up 2% compared to last month. Also, recent gum export declined by 42% compared to previous year due to weak overseas. Reportedly, around 90% of the guar gum powder mills are closed due to lesser demand from overseas.

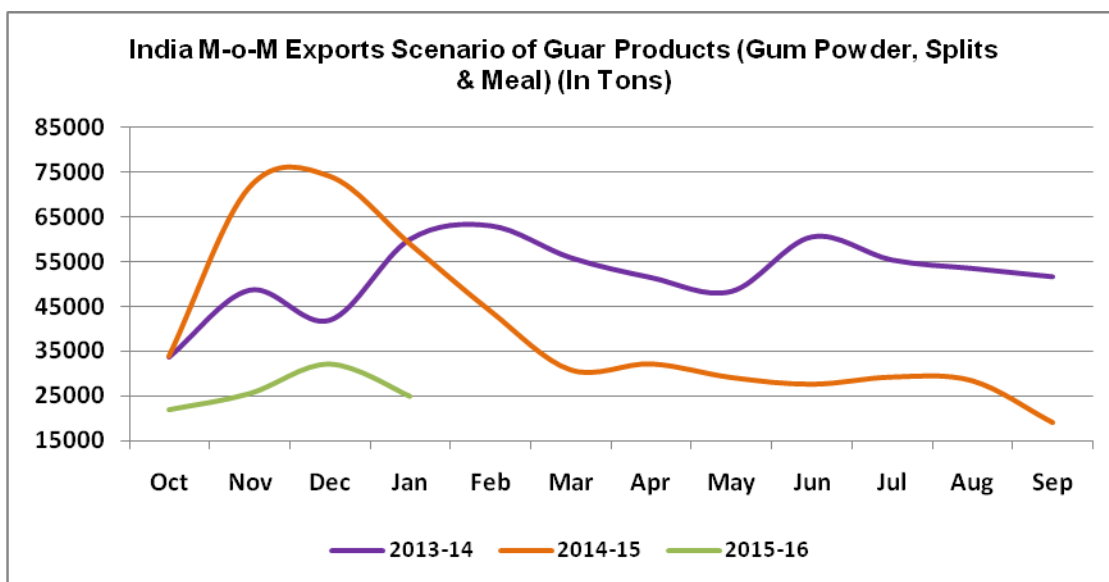
Demand Side of Guar and Guar Gum:

On export front, demands of guar products decreased in January

Foreign buyers have guar gum stocks up to February and may start new buying in March and April month.

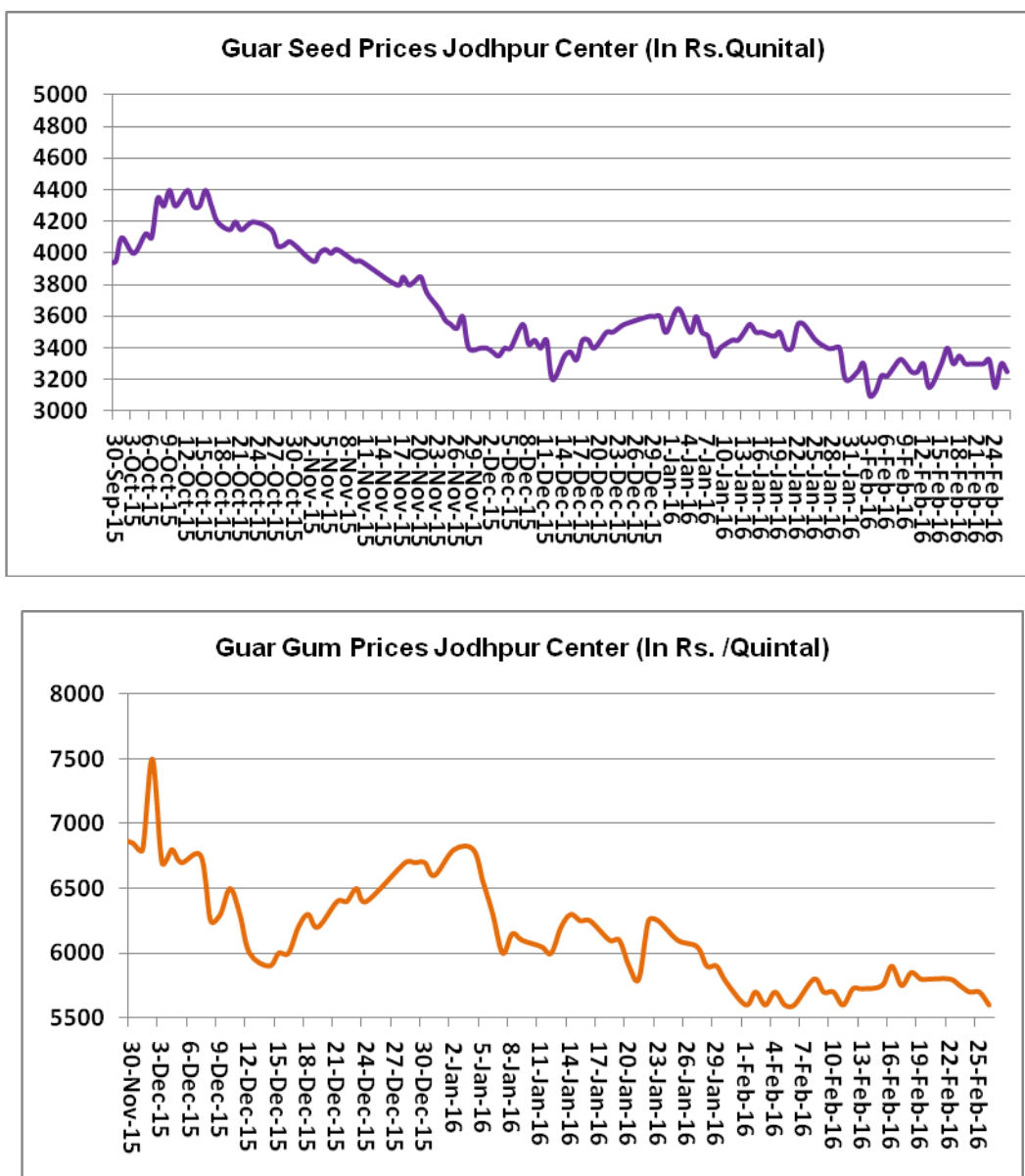
Reportedly, the quantity of unsold gum stored in US has decreased as stockists are selling it at lower quotes as unsold gum will expire soon.

Below are the monthly guar products exports and its comparison to month wise exports of guar products last year.

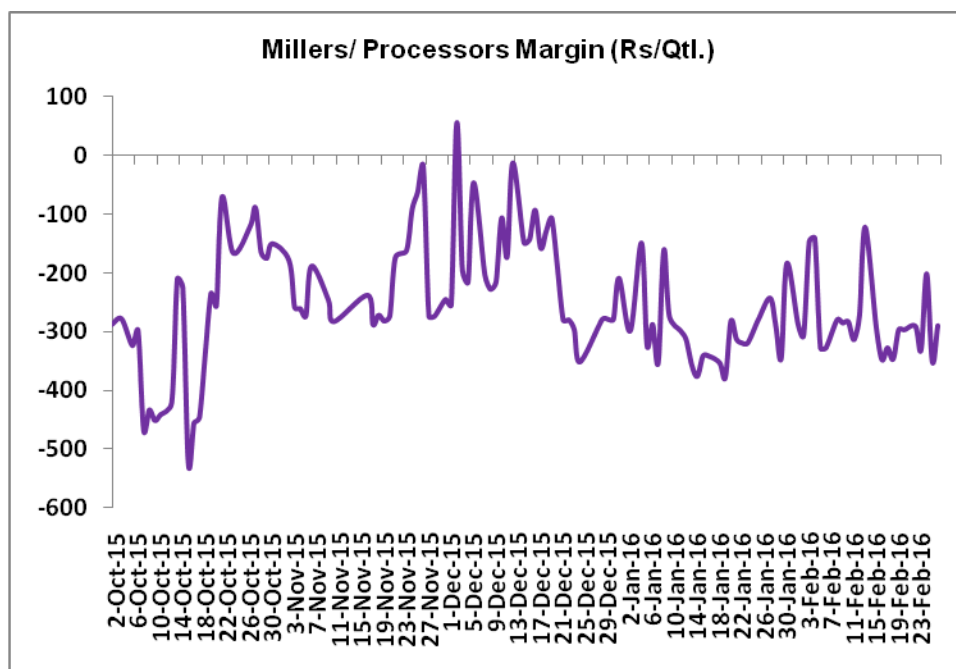


Price Scenario

In the fourth week of February, the average price of guar seed decreased by 0.9% and was at Rs.3270/Qtl compared to previous week. Also, guar gum prices declined marginally last week by 1.2% at Rs.5725/Qtl compared to previous week. The graph below illustrates the weekly average price movement of guar seed and guar gum in Jodhpur market.



Millers/Processors Margin



As seen in the chart above, the average crushing margin of guar seed has increased compared to previous week. In the fourth week of February 2015, average crush margin marginally decreased to Rs. -291 /Quintal which were -287 per quintal last week. Higher degree of decrease in guar gum prices compared to guar seed prices led the margin down last week.

Guar Seed To Gum Ratio:

Ratio of guar seed to gum surged this week to 1.75 which in the earlier week was 1.73. Higher increase in guar gum prices compared to guar seed increased the ratio.

However, overall lackluster demand of gum from overseas and good demand of seed from millers due to higher, churi and korma prices lowered the overall ratio. It is notable that current ratio is the lowest ratio in 6.6 years. By and large, ratio stood at 2.5 in past years.

Guar by – Products Weekly Average Prices:

Commodity	Centre	20th to 26th Feb 16	13th to19th Feb 16	Change
Churi	Jodhpur	1500	1568	-68
Korma	Jodhpur	1842	1783	58
Churi	Sri-Ganganagar	1496	1485	11
Korma	Sri-Ganganagar	1721	1683	38
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	20th to 26th Feb 16	13th to19th Feb 16	Change
Guargum Split		833	841	-8
Guargum Powder	200 Mesh 5000 CPS	1124	1134	-9
	200 Mesh 3500 CPS	1051	1061	-9
Guargum Meal	40%	308	307	1
	50%	342	336	6
Prices in \$/MT				

Guar Seed Weekly Average Prices:

Commodity	Centre	Weekly Prices (Average)		Change
		20th to 26th Feb 16	13th to19th Feb 16	
Guar Seed				
Rajasthan	Jodhpur (Loose)	3095	3100	-5
	Jodhpur(Delivery)	3271	3300	-29
	Sri-Ganganagar(Loose)	2887	2942	-55
	Sri-Ganganagar (Delivery)	2967	3038	-71
	Rawla (Loose)	2872	2906	-34
	Nagaur (Loose)	2833	2908	-75
	Churu (Delivery)	3175	3167	8
	Alwar (Loose)	2983	2975	8
	Bikaner (Loose)	2929	2954	-25
	Bikaner (Delivery)	3150	3154	-4
	Nokha(Loose)	2969	2980	-11
	Nokha (Delivery)	3076	3087	-11
	Khajuwala (Loose)	2903	2928	-25
	Khajuwala (Delivery)	3019	3045	-26
	Lunkaransar (Loose)	2889	2938	-48
	Hanumangarh (Loose)	2863	2880	-18
	Hanumangarh (Delivery)	3104	3075	29
Haryana	Adampur (Loose)	2925	2954	-29

	Adampur (Delivery)	3117	3138	-21
	Sirsa (Loose)	2869	2927	-58
	Bhiwani (Delivery)	3096	3138	-42
	Dhabwali (Loose)	2834	2871	-37
	Dhabwali (Delivery)	3042	3071	-29
	Siwani (Loose)	3028	3063	-34
	Ellanabad (Loose)	2908	2915	-7
	Fatehabad (Loose)	2855	2908	-53
Gujarat	Deesa (Loose)	NA	3500	-
	Patan (Loose)	2978	2969	10
	Rajkot (Loose)	2962	2981	-19
	Dhrol (Loose)	2820	2849	-29
Madhya pradesh	Dabra (Loose)	3150	3000	150
Guar Gum				
Rajasthan	Jodhpur	5725	5796	-71
	Alwar	5817	5833	-17
Haryana	Sirsa	5670	5767	-97
	Bhiwani	5850	6008	-158
	Dhabwali	5758	5808	-50
	Ellanabad	5742	5770	-28
	Fatehabad	5650	5667	-17

Week on Week Price: Scenario of Guarseed and Guargum:					
Commodity	Centre	Today	Week ago	Month ago	Year ago
Guar Seed		26-Feb-16	19-Feb-16	27-Jan-16	26-Feb-15
Rajasthan	Jodhpur (Loose)	3075	3100	3200	3500
	Jodhpur(Delivery)	3250	3300	3400	3700
	Sri-Ganganagar(Loose)	2880	2900	3025	3540
	Sri-Ganganagar (Delivery)	2950	3000	3150	3700
	Nagaur (Loose)	2950	2850	3000	3650
	Churu (Delivery)	3100	3200	3200	3700
	Alwar (Loose)	2950	3000	3000	3400
	Bikaner (Loose)	2875	2950	2975	3475
	Bikaner (Delivery)	3150	3150	3175	3650
	Nokha(Loose)	2950	3000	3100	3550
	Nokha (Delivery)	3056	3108	3212	3678
	Khajuwala (Loose)	2820	2910	2990	3550
	Khajuwala (Delivery)	2870	2915	2990	3550

	Hanumangarh (Loose)	2850	2850	2980	3450
	Hanumangarh (Delivery)	3100	3050	3180	3600
Haryana	Adampur (Loose)	2950	2900	3050	3500
	Adampur (Delivery)	3100	3100	3250	3650
	Sirsa (Loose)	2850	2925	3015	3500
	Bhiwani (Delivery)	3050	3125	3225	3600
	Dhabwali (Loose)	2810	2800	3020	3500
	Dhabwali (Delivery)	3050	3000	3220	3650
	Siwani (Loose)	3020	3050	3125	3575
	Ellanabad (Loose)	2875	2900	3000	NR
	Fatehabad (Loose)	2820	2800	2950	NR
Gujarat	Deesa (Loose)	NA	NA	3110	3525
	Patan (Loose)	2950	NA	3090	3710
	Rajkot (Loose)	2900	3025	3125	3485
	Dhrol (Loose)	2820	2775	3080	NR
Madhya pradesh	Dabra (Loose)	3100	2900	3000	NR
Guar Gum					
Rajasthan	Jodhpur	5600	5800	6050	8200
	Alwar	5700	5900	5900	8300
Haryana	Sirsa	5600	5800	5900	8400
	Bhiwani	5700	6000	6200	8200
	Dhabwali	5750	5800	5950	8400
	Ellanabad	5650	5800	5950	NR
	Fatehabad	5600	5500	5900	NR

Guar Cumulative Arrivals in Key Centers:				
Commodity	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed		20th to 26th Feb 16	13th to 19th Feb 16	
Rajasthan	Jodhpur	7216	1410	5806
	Sri-Ganganagar	5000	5500	-500
	Rawla	4800	4800	Unch
	Nagaur	800	800	Unch
	Churu	4500	3200	1300
	Alwar	2600	2100	500
	Bikaner	7500	5300	2200
	Nokha	1150	1050	100
	Khajuwala	9200	10300	-1100
	Lunkaransar	2050	1950	100
	Hanumangarh	940	1000	-60

Haryana	Adampur	2500	8700	-6200
	Sirsa	1550	3500	-1950
	Bhiwani	9000	11000	-2000
	Dhabwali	670	810	-140
	Siwani	1200	2600	-1400
	Ellanabad	2725	2800	-75
	Fatehabad	75	192	-117
Gujarat	Deesa	NA	5	-
	Patan	389	375	14
	Rajkot	845	1265	-420
	Dhrol	14	61	-47
Madhya pradesh	Dabra	1650	780	870
Total Arrivals		66374	69498	-3124



Commodity: Guar Seed 10MT
Contract: Mar

Exchange: NCDEX
Expiry: Mar 20, 2016

Guar Seed 10MT (Weekly Mar Contract Chart)



Technical Commentary:

- Guar prices are trading in downward trend.
- Currently, guar is trading at 5th Elliot Wave and likely to end at Rs 2900-2950.
- However, RSI is hovering near to oversold region
- Prices likely to trade between Rs 2900-3300 per quintal in the coming weeks.

Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed 10MT	NCDEX	Mar	2700	2800	3056	3170	3243
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	Mar	Sell	Below 3050	2950	2900	3110

Commodity: Guar Gum
Contract: Mar

Exchange: NCDEX
Expiry: Mar 20, 2016

Guar Gum (Mar Weekly Chart)



Technical Commentary:

- Guar gum prices are trading in a falling wedge.
- RSI is hovering at oversold region
- Last candlestick depicts bearishness in the market.
- Prices likely to trade between Rs 5200-6200 per quintal in the coming weeks.

Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	Mar	4800	5170	5590	6100	6500
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Mar	Sell	Below 5600	5300	5200	5780

Spot Market Outlook:

Guar seed prices are likely to trade in a range with firm bias this week. We estimate prices to trade in between Rs 3200-2900 per quintal in the coming weeks ahead.



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